

Freie Universität Berlin  
 Prof. Dr. Dr. Giacomo Corneo  
 Jun-Prof. Dr. Theodor Grigoriadis  
 Junbing Zhu, M.Sc.  
 Department of Economics  
 Summer Semester 2018

## Economic Systems

**Lecture:** Mondays, 10-12, Giacomo Corneo ([Giacomo.corneo@fu-berlin.de](mailto:Giacomo.corneo@fu-berlin.de)) & Theodor Grigoriadis ([theocharis.grigoriadis@fu-berlin.de](mailto:theocharis.grigoriadis@fu-berlin.de))

**Exercise:** Mondays, 12-14, Junbing Zhu ([junbing.zhu2@fu-berlin.de](mailto:junbing.zhu2@fu-berlin.de))

### Office Hours

Giacomo Corneo,  
 Theodor Grigoriadis, Tuesdays, 14-16, Garystr. 55, Room 101A.  
 Junbing Zhu,

**Module:** *Komparative Ökonomie von Wirtschaftssystemen*

This is a course is to provide students with an introduction to the study of economic systems. The first part will make sense of current fundamental criticisms against capitalism. The second part will focus on the normative underpinnings of the evaluation of economic systems: efficiency, distributive justice, personal autonomy and social freedom. The third part of the course will concentrate on several alternative economic systems, providing an analytical and critical view of their fundamental properties. The course grade is defined by a final exam at the end of the semester.

### Required Bibliography:

1. Binmore Ken. Rationality. In: Handbook of Game Theory 2015.
2. Corneo Giacomo. *Is Capitalism Obsolete? A Journey through Alternative Economic Systems*. Harvard University Press 2017.
3. Elster Jon. *Sour Grapes*, CUP 1983.
4. Knight Frank. The Ethics of Competition, QJE 1922.
5. Kornai Janos. *The Socialist System: The Political Economy of Communism*. Princeton University Press 1992.
6. Laibson David. Golden Eggs and Hyperbolic Discounting, QJE 1997.
7. Nozick Robert. *Anarchy, State, and Utopia*.
8. Picketty Thomas, Li Yang and Gabriel Zuchman. *Capital Accumulation, Private Property and Rising Inequality in China, 1978-2015*, CEPR DP 12410.
9. Picketty Thomas. *Capital in the Twenty-First Century*. The Belknap Press of Harvard University Press 2014.
10. Roemer John. *Theories of Distributive Justice*. Harvard University Press 1996.
11. Roland, Gérard. *Transition and Economics: Politics, Markets and Firms*. MIT Press 2000.
12. Stiglitz, Joseph. *Economics of the Public Sector*.
13. Von Weizsäcker Carl Christian. *Freedom, Wealth and Adaptive Preferences*.

### Recommended Bibliography:

1. Introduction, Oxford Handbook on Economic Inequality.

2. Lange Oskar. "On the Economic Theory of Socialism, Part One", *Review of Economic Studies*, Vol. 4, No. 1 (October 1936): 53-71.
3. Heal Geoffrey. "Planning Without Prices", *Review of Economic Studies*, Vol. 36, No. 3 (July 1969): 53-71.
4. Weitzman Martin L. "The New Soviet Incentive Model", *Bell Journal of Economics*, Vol. 7, No. 1 (Spring 1976): 251-257.
5. Harrison Mark. "Why did NEP fail?", *Economics of Planning*, Vol. 16, No. 2, 57-67, 1980.

**Grade:**

Final Exam

**Week 1: Capitalism and Its Discontents**

16.04.2018, Common Lecture

- Corneo, Prologue
- Piketty, Ch. 1-4
- Knight

**Week 2: Normative Criteria: Efficiency**

23.04.2018, Corneo, *First Fundamental Theorem of Welfare Economics*

- Stiglitz, Ch. 3-4

**Week 3: Normative Criteria: Distributive Justice I**

30.04.2018, Grigoriadis, *Utilitarianism*

- Nozick, Ch. 7
- Roemer, Ch. 4-5

**Week 4: Normative Criteria: Distributive Justice II**

07.05.2018, Grigoriadis, *Equality of resources vs. equality of opportunity*

- Nozick, Ch. 7
- Roemer, Ch. 6-8
- Introduction, Oxford Handbook on Economic Inequality

**Week 5: Normative Criteria: Autonomy I**

14.05.2018, Corneo, *Endogenous Preferences*

- Elster, Part I
- Von Weizsäcker

**Week 6: Normative Criteria: Autonomy II**

28.05.2018, Corneo, *Rationality*

- Binmore
- Laibson

**Week 7: Common Ownership**

04.06.2018, Corneo

- Corneo, Ch. 2-4.

**Week 8: Central Planning: Theory**

11.06.2018, Grigoriadis

- Corneo, Ch. 5.
- Lange Oskar. "On the Economic Theory of Socialism, Part One", *Review of Economic Studies*, Vol. 4, No. 1 (October 1936): 53-71.
- Heal Geoffrey. "Planning Without Prices", *Review of Economic Studies*, Vol. 36, No. 3 (July 1969): 53-71.

**Week 9: Central Planning: Reality**

18.06.2018, Grigoriadis

- Kornai, Ch. 1-6.
- Weitzman Martin L. "The New Soviet Incentive Model", *Bell Journal of Economics*, Vol. 7, No. 1 (Spring 1976): 251-257.
- Harrison Mark. "Why did NEP fail?", *Economics of Planning*, Vol. 16, No. 2, 57-67, 1980.

**Week 10: Self-Management & Market Socialism**

25.06.2018, Grigoriadis

- Corneo, Ch. 6-7.

**Week 11: Chinese Socialist Market Economy**

02.07.2018, Grigoriadis

- Roland, Ch. 6
- Piketty et al.

**Week 12: Shareholder Socialism**

09.07.2018, Corneo

- Corneo, Ch. 8

**Week 13: Universal Basic Income**

16.07.2018, Corneo

- Corneo, Ch. 9